



Morning Alert - Wednesday, October 18, 2017

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HEADLINES

Morning news

NHK and Fuji TV gave top play to reports that an ASDF UH-60 aircraft with a crew of four and belonging to Hamamatsu Air Base in Shizuoka went missing 30 km off the southern coast of the prefecture during training last night. Defense Minister Onodera told reporters Tuesday evening that the discovery of various helicopter parts suggests that the aircraft crashed. NTV led with a report that two foreigners have allegedly been drawing graffiti on the walls of restaurants in the Shinjuku area. TV Asahi gave top play to a report on the increasing tension over North Korea.

Major front-page items in national papers included an update on the data falsification scandal involving Kobe Steel, the downfall of ISIL's "capital city" of Raqqa, the results of a public opinion poll indicating that the ruling coalition will achieve a landslide victory in the Oct. 22 election, and a scandal involving car safety inspections by Nissan.

ECONOMY

Japan braces for possible U.S. demand for FTA talks

All papers reported extensively on Vice President Pence's expression of "strong interest" in U.S.-Japan FTA talks during Monday's bilateral economic dialogue, noting that this was reportedly the first time for the Vice President to mention FTA talks. The GOJ is concerned that President Trump may urge Prime Minister Abe to start discussions on bilateral trade liberalization arrangements during their summit in Tokyo scheduled for Nov. 6. The Abe administration does not intend to heed U.S. requests for FTA talks based on the assessment that Japan could be pressed to make greater concessions to the U.S. in bilateral FTA negotiations than it made during TPP talks.

Asahi said the President may choose to step up trade pressure on Tokyo by capitalizing on his planned Japan visit, quoting an unnamed senior MOFA official as saying: "If President Trump requests FTA talks, it could become the biggest risk for the bilateral relationship." Nikkei said that in pursuing an FTA with Tokyo, the Trump administration is keenly interested in expanding agricultural exports to Japan. While some Japanese officials insist on dismissing U.S. calls for an FTA, Nikkei projected that Tokyo may be forced to back off in the end amid the escalated tension on the Korean Peninsula.

Economic dialogue reveals different goals pursued by U.S., Japan

Most papers wrote that a deep rift emerged between the U.S. and Japan during Monday's economic dialogue. In contrast to Tokyo's goal of seeking bilateral cooperation in expanding the free trade network in the Asia-Pacific region with the ultimate aim of containing China's rise, Washington is primarily interested in correcting the bilateral trade imbalance with Japan. Vice President Pence's statement in Monday's meeting that the Trump administration views the bilateral dialogue as a "framework for producing results in the near future" reflects the U.S.'s desire to reduce its trade deficit with Japan through the economic dialogue. Yomiuri said in Monday's meeting the U.S. did not accept Japan's concessions on modifying the existing mechanism to invoke safeguard measures against U.S. beef imports. Asahi wrote that Deputy Prime Minister Aso's detailed explanations on the merits of the TPP failed to sway the Vice President and other U.S. participants. Sankei wrote that Japan cannot readily heed a U.S. request for a bilateral FTA since such a scenario would rule out the U.S.'s return to the TPP.

U.S. Justice Department may begin official probe into data falsification by Kobe steel

All papers reported on an announcement made by Kobe Steel on Monday that it has been asked by the U.S. Justice Department to voluntarily submit relevant documents regarding its data falsification scandal. The articles said the Justice Department may launch an official investigation and order Kobe Steel to pay a huge amount in "punitive damages" if it finds that the products in question have harmed the interests of U.S. consumers and businesses. The firm said it will "cooperate with the U.S. investigation in good faith."

SECURITY

U.S. military to end helicopter flight suspension today

All papers reported on Monday's announcement by the USMC in Okinawa that flight operations by CH-53 helicopters will be resumed on Wednesday because it is "satisfied that the CH-53E aircraft is prepared to return to safe flight operations." Okinawa Area Coordinator Nicholson said in a statement: "We take the safety of our aircrews and the citizens of Okinawa seriously. I would never allow an aircrew to operate an aircraft that I thought was unsafe."

Local officials and residents are bound to react strongly to the planned resumption since it came only a week after the recent mishap and the U.S. military has failed to explain the cause of the incident. Okinawa Governor Onaga was upset about the U.S. decision and said to the press: "This is outrageous. Okinawa is being made light of. The Japanese government is incapable of doing anything." Defense Minister Onodera also expressed displeasure by telling the press: "It is extremely regrettable given the absence of a sufficient explanation that the aircraft is safe."

U.S. military acknowledges use of decoy flares by fighter jet

Most papers reported on the disclosure by Defense Minister Onodera on Tuesday that his ministry was informed by the U.S. military that a USMC FA-18 released decoy flares while conducting training over Hiroshima last week. The minister said he has asked the U.S. side to conduct such drills offshore. He also stated: "It is not appropriate for the U.S. military to carry out training in a manner that makes local residents nervous."

U.S. military plane jettisons fuel tank over waters off Aomori

Asahi and Sankei wrote that a U.S. Navy EA-18 electronic warfare aircraft jettisoned a fuel tank over waters off Misawa City, Aomori Prefecture, on Tuesday after a malfunction was detected. The drop point was within a closed-off area adjacent to a designated U.S. military training zone.

New Aegis Ashore platform to be capable of intercepting cruise missiles

Yomiuri led with the disclosure by several GOJ sources that the Abe administration is considering equipping the Aegis Ashore system to be introduced in FY2023 with SM-6 interceptors that can intercept cruise missiles possibly launched by China. If the two Aegis Ashore platforms are equipped with these interceptors that are currently being developed by the U.S. in addition to SM-3 interceptors against ballistic missiles, the SM-6 ground-to-air missiles would be able to defend key regions such as the Tokyo metropolitan area. The anti-air missiles currently being used by the SDF are able to shoot down cruise missiles only after they are close to their targets. The Defense Ministry has already asked for \$20 million in the FY2018 budget for equipping existing MSDF Aegis warships with SM-6 missiles.

INTERNATIONAL

President Trump to conduct "golf diplomacy" in Japan

Asahi claimed that arrangements are being made for Prime Minister Abe and President Trump to play golf together probably with professional golfers in Saitama Prefecture on Nov. 5, explaining that the premier is strongly interested in conducting "golf diplomacy" in the belief that he was able to forge strong personal bonds with the U.S. leader by playing golf with him in Florida in February. After playing golf at the Kasumigaseki Country Club in Kawagoe City, the two leaders are likely to have an informal dinner to further deepen their personal relationship.

Meanwhile, Sankei reported that the President will meet with Emperor Akihito on the morning of Oct. 6.

Japanese confidence in U.S. president plummets

Asahi reported on the results of a public opinion survey conducted in the spring by Pew Research, showing that only 24% of Japanese had confidence in President Trump, noting that some 54% said they had confidence in President Obama in a poll that was conducted last year. According to the latest poll, young Japanese appeared to be more sympathetic to President Trump than older generations, with 36% in their 20s saying the U.S. leader cares about ordinary people, as opposed to 19% of people aged 50 or over. The poll also found that those who said they had favorable feelings toward the United States dropped 15% from last year to 57%.

